



# Department of Justice

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## **FLORIDA MAN SENTENCED IN FRAUDULENT INVESTMENT AND MORTGAGE SCHEMES**

***Defendant Who Orchestrated a Ponzi-type Investment Scheme and Who Fraudulently  
Obtained Mortgage Proceeds Sentenced to 60 Months of Imprisonment and Ordered to Pay  
\$1,994,620.32 in Restitution***

Albany, New York —United States Attorney Richard S. Hartunian and Acting Special Agent-in-Charge Toni Weirauch of the New York Field Office of the Internal Revenue Service, Criminal Investigation Division, announced that ARTHUR STRASNICK, age 64, of New Smyrna Beach, Florida, was sentenced today by the Honorable Thomas J. McAvoy in Federal District Court in Albany following his guilty pleas on two counts of mail fraud and one count of identity theft. STRASNICK was sentenced to 60 months of imprisonment to be followed by three years of supervised release. STRASNICK was also ordered to pay \$1,994,620.32 in restitution.

STRASNICK's fraudulent activities in the Northern District of New York began in early 2003 when he lured a Saratoga Springs woman into investing money with STRASNICK's firm, Backstreet Associates, Inc. Investors in Backstreet Associates, Inc. were "guaranteed" high fixed annual rates of returns ranging from 12.0% to 20.0% interest. STRASNICK's investors were paid purported interest and principal payments, when in reality, the investors were receiving monies obtained from the same investor or other investors.

In the Fall of 2006, STRASNICK also operated a mortgage fraud scheme in which he tricked other individuals, including the aforementioned Saratoga Springs woman, into providing him money

representing equity in their homes. The mortgages were obtained after STRASNICK either made false representations to the homeowners or forged the signatures of the actual homeowners.

U.S. Attorney Hartunian said that “fraudulent investment schemes such as this prey on vulnerability and hope, and can have devastating effects. With our law enforcement partners, we pursue these cases aggressively, and congratulate IRS-CI for their fine work in this case.”

This case was investigated by the Internal Revenue Service.

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